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State can't afford Hollywood tax break

A Wisconsin State Journal editorial March 23, 2009

Wisconsin should not let star power sway its sober assessment of a tax break for the flashy film industry.

Of course rich TV and movie actors think Wisconsin should offer Hollywood millions in tax incentives to try to lure big-budget movies here. The state tax incentives bolster Hollywood's hefty bottom line.

But the tax breaks that Wisconsin has offered to the producers of movies such as "Public Enemies," starring Johnny Depp, have not paid off for Wisconsin taxpayers.

Gov. Jim Doyle deserves support for his proposal to end the state's film credit and replace it with a less expensive program to help entrepreneurs create more permanent jobs here.

Former "Malcolm in the Middle" star Jane Kaczmarek and her "West Wing" actor husband Bradley Whitford -- both Wisconsin natives -- urged state leaders last week to boost Wisconsin's generous tax credit for films that shoot here.

"We would like nothing more than to find a film or television (show) that would bring us 'home' to work in Wisconsin -- and pay a portion of our income taxes back to our home state," the couple wrote in a letter to Gov. Jim Doyle and legislative leaders. "Sadly, that will not happen unless you continue your commitment to grow a film and television industry for the state."

Wisconsin should be proud of its homegrown talent and welcome film crews. But serving up millions in film incentives that burden an already strained state budget can't be justified.

The state paid \$4.7 million in tax breaks to NBC/Universal for filming "Public Enemies" here. And the film generated \$5 million in economic impact for Wisconsin, according to the state Department of Commerce.

But a huge chunk of that money subsidized wages for crew members who were out-of-state residents. For state government, the investment returned only about \$250,000 in tax revenue -- far below the standards used to judge most economic development programs.

The governor wants to reduce the cost of the state's incentive program and gear it more to video game companies and commercial producers.

What Doyle's proposal lacks in pizzazz it more than makes up for in common sense.

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